
JUSTICE COURT EXTERNAL REVIEW PROCEDURES USING A MANUAL CASE MANAGEMENT SYSTEM



Administrative Office of the Courts
Audit Services

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Justice Court

External Review Procedures¹

When a Manual Docket System is Used

Three fundamental categories of duties must be separated: 1) custody of assets, 2) authorization of transactions, and 3) record keeping/accounting. In situations where it is impractical to separate duties, external review procedures need to be implemented. The external review needs to be performed by a person who does not have responsibility to receipt and/or deposit cash and check receipts, process/record transactions in the accounting records, including disbursements, or issue/mail checks.

The external review should be performed on a regular basis. It is recommended the review be performed at least quarterly (reviewing the prior 3 months transactions), but monthly is preferred. The following checklist can be used to: 1) identify the review procedures that can be performed, and 2) document the review results.

Reviewer: _____

Review Date: _____

A. Citations Recorded in the Docket

Objective: To verify that citations issued within the court's jurisdiction are received and recorded accurately in the court docket.

Procedures:

1. For the period under review, obtain a complete listing of citations issued within the court's jurisdiction from each citing law enforcement agency.
2. Select a sample of citations from each listing. Trace the citation to the court docket based on the defendant's name and date of violation. Was the citation recorded? If yes, do the violations cited on the citation agree to the docket? If no, determine if the violation occurred in the court's jurisdiction by following up with the law enforcement agency.

Results:

¹ The External Review procedures are based on the experience and opinions of the AOC Audit Services Department, Administrative Office of the Courts.

B. Credits/Dismissals

Objective: To verify that credits/suspensions processed/recorded by the clerks are valid.

Note: The procedures described below require that all credits/dismissed citations be recorded on a log so that an accounting record is created for these types of transactions. The reviewer verifies the validity of the transactions recorded on the log and tests that all such transactions are consistently recorded on the log.

Procedures:

1. Using the Credits/Dismissed Citations Log for the period under review, identify all credits and dismissals recorded during the period. Select a sample of credits and dismissals if there are many.
2. For each credit/dismissal identified (or selected if only a sample is reviewed), trace to the daily accounting records or case file (depending on where the documentation is filed). Verify that the credit/dismissal was authorized (per the UFBS or judicial order) and the documentation is valid. For example, was there a copy of the proof of insurance in the case file? Was the insurance in effect when the citation was issued?
3. To test that all credits and dismissals are consistently recorded on the Credits/Dismissed Citations Log, scan through the docket books to identify cases with credits and dismissals recorded during the period under review. Trace the credits and dismissals identified to the Credits/Dismissed Citations Log to verify that the transactions were recorded on the log.

The manual docket system makes this final step necessary to ensure all credits and dismissals are recorded on the Credits/Dismissed Citations Log and subject to review.

Results:

C. Payment Processing and Daily Balancing

Objective: To verify that the amounts recorded per the daily receipts, the Cash Receipts Journal, and the validated deposit slip are accurate. To also verify that the cash/check composition per the receipt detail agrees with the composition per the validated deposit slip.

Note: Courts that use a manual docket system typically function as a one-clerk office. Court payments are receipted in a court hand receipt book. In a one-clerk office, preparing a mail log does not accomplish the desired control of creating an initial record

of mail payments because the clerk works alone. Under these circumstances, it is recommended the clerk open the mail and receipt payments in the court receipt book in the presence of a second local government employee. The receipt should indicate the payment was received by mail.

Procedures:

Select sample dates for review. For each date:

1. Account for numerical sequence of the hand receipts in the court receipt book and on the Cash Receipts Journal to ensure that all receipts are accounted for. Determine that hand receipts were issued, voided, or are still unused in the receipt book. Verify that sufficient documentation exists for any voided receipts, the reason for the void is clearly indicated on all copies of the receipt, and a second person has authorized the void as shown by the person's signature/initials on the receipt.
2. Sum the court receipts according to cash and check composition. Re-calculate the total collections recorded for the day (Totals by Payment Distribution and Totals by Payment Mode) per the Cash Receipts Journal to verify the accuracy of the totals.

Compare the totals per the court receipt book to the verified totals recorded on the daily Cash Receipts Journals. The amounts should agree. Examine the receipts, Cash Receipts Journal and validated deposit slips. Are the records complete, accurate, and authentic? Have corrections/modifications been made? Were the corrections/modifications documented, e.g. explanation written to the side and initialed. The reviewer needs to follow-up on any corrections/modifications to understand the basis for the changes.
3. Compare the cash and check composition per the court receipts and the journal to the composition per the validated deposit slip. The composition detail (check numbers, amounts, and cash/coin) should agree.
4. Select a sample of receipts from the court receipt book for each date reviewed and trace to the court docket to verify that the payment was posted correctly. Do the case name, amount, receipt number, and date per the receipt agree with the detail recorded in the docket?
5. On a regular basis, verify the balance of each clerk's cash change fund. The verification needs to be performed in the presence of the clerk to whom the fund is assigned and documented on a Cash Count Form. See Appendix 1, Cash Count Form.

Results:

D. Revenue

Review of Daily Totals

Objective: To verify that monies collected are accurately recorded and summarized and surcharge is properly distributed.

Procedures:

For each date selected for review above:

1. Re-calculate the total collections recorded for the day per the Cash Receipts Journal (already done under no. 2 last section). Compare the total per the journal to the total recorded in the court's general ledger revenue account. The two amounts should agree, except for any trust monies collected. Trust monies recorded on the Cash Receipts Journal, e.g. bail for mandatory appearance cases, Finders checks, or restitution, need to be traced to the trust ledger account or disbursement records, as described below.
2. Identify a sample of cases on the Cash Receipts Journal for which surcharge applies. Recalculate the surcharge to verify the amount recorded is accurate. Trace to the case docket to verify that the payment and surcharge allocation was properly recorded. If there are multiple offenses, partial payments should be applied to the surchargeable offense(s) first unless an accurate method is devised to allocate accurately between all offenses.

Results:

Review of Monthly Totals:

Objective: To test the monthly totals used to calculate collections due the State and prepare the monthly activity reports:

Procedures:

Select a recent month for review as follows:

Note: For this test, the reviewer may need to test the month prior to the month just ended to allow time for the disbursement request to be processed and a check issued by the local government.

1. Select a sample of daily journals from the month being tested. Recalculate the totals listed under the payment distribution columns. Do the recalculated totals agree with the totals listed?
2. Sum the daily totals listed in the payment distribution columns, e.g. fines to local government, 85% surcharge, 35% surcharge, Overweights, etc., to arrive at the monthly total. Compare the totals to the monthly totals calculated by the court. Do the totals agree?

3. Trace the monthly totals to the State of Utah Deposit Report and the AOC Monthly Report. Do the totals agree?
4. After verifying that the totals per the State of Utah Deposit Report are accurate, trace the total state collections (e.g. 85% surcharge, 35% surcharge, Overweights, etc.) per deposit report to the general ledger accounts to verify that the proper amounts were remitted. Do the amounts agree? Were the amounts remitted by the 10th day of the month following collection per the date in the general ledger? Was the validated Deposit Report returned to the court within a reasonable time period after the date of disbursement per the ledger? (If the local government receives the validated copy, the court should ask that a copy be forwarded for its file.)

Results:

E. Trust Monies

Objective: To verify that accounting for trust monies is proper.

Procedures:

1. For each date reviewed above, identify trust monies recorded on the Cash Receipts Journal. Trace the monies recorded per the journal to the trust account in the general ledger. Is the amount accurate and identified with the proper case name/number.
2. Select a sample from the entries in the trust account per the general ledger and trace to the case docket and case file to verify that the monies are properly held in trust. For example, the monies are being held pending the defendant's court appearance, or a Finders Check is being held pending the 40-day notice period to the defendant.

Results:

F. Disbursements

Objective: To verify that all disbursements are accounted for and that disbursements are valid, proper, and timely.

Procedures:

1. Account for the numerical sequence of the disbursement requests processed since the last review by comparing the number assigned to each disbursement request

(per the copy retained in the court's disbursement file) to the number per the disbursement register. Are all disbursements per the file recorded on the register? For each disbursement recorded on the register, is there a disbursement request in the file?

2. Examine the disbursement requests and supporting documentation in the disbursement file. Are all disbursement requests properly authorized and supported? For example, does a judicial order exist authorizing the refund of trust monies. Is there a valid juror/witness certificate with sufficient detail to trace to the case docket?
3. Compare disbursements per the disbursement register to disbursements per the related ledger accounts (expense or trust account). Are the disbursement amounts per the ledger accurate? Are there disbursements recorded in the ledger that are not recorded on the disbursement register? If so, determine why.
4. Compare the date of the disbursement request to the date of disbursement per the ledger. Was the disbursement processed within 7 days per UCA § 78-5-126.

Results:

Note: Procedures for review of the monthly reconciliation between the ledger and the bank statement are not detailed here because it is assumed that the local government holds the account. Thus, the local government auditor/recorder/town clerk would perform reconciliation. If the court holds/maintains the trust account, a person not responsible for recording transactions or issuing checks would perform the reconciliation between the ledger and the bank statement.

G. Monitoring

Objective: To ensure that the manual methods of monitoring cases and citations are effective and that cases can be concluded.

Procedures:

1. Scan the manual case dockets to identify non-adjudicated cases in default. Was a delinquent notice mailed to the defendant? (The notice should be recorded in the case docket and a copy placed in the case file.) If a warrant was appropriate, was a warrant issued? If a warrant was issued, was an information also filed? Is the physical case file filed with the open case files?
2. Scan the manual case dockets to identify adjudicated cases in default due to defendant's failure to pay or otherwise comply with the court's order. Has the case been referred to the court? Is the physical case file filed with the open case files?

Results:

H. NSF Checks

Objective: To ensure that checks returned due to insufficient funds are properly recorded and accounted for.

Procedures:

1. For the period under review, examine the original bank statements and included documentation to identify checks receipted and deposited by the court, but returned by the bank due to insufficient funds. (Trace returned check amounts to individual deposit slips to determine if the check relates to court receipts).
2. Trace the returned check to the individual case docket and file to determine if: 1) the defendant was notified of the returned check, as evidenced by documentation in the case file and entries in the docket, 2) the proper fees were assessed, and 3) the payment was reversed in the court docket and the amount re-assessed.
3. Trace the returned check amount to the daily or monthly accounting records to verify that the amount, including surcharge, was reversed.

Results:

APPENDIX

CASHIER'S NAME: _____
COURT LOCATION: _____

DATE: _____

CASH COUNT FORM

CURRENCY

\$ 1 X	=
\$ 2 X	=
\$ 5 X	=
\$ 10 X	=
\$ 20 X	=
\$ 50 X	=
\$ 100 X	=
SUB TOTAL	\$
COINS	
\$.01 X	=
\$.05 X	=
\$.10 X	=
\$.25 X	=
\$.50 X	=
\$ 1.00 X	=
SUB TOTAL	\$
TOTAL CASH	\$
TOTAL CHECKS	\$
LESS CHANGE FUND	\$
GRAND TOTAL:	\$

CASHIER'S SIGNATURE: _____

VERIFIER'S SIGNATURE: _____

ATTACH CALCULATOR TAPE OF INCLUDING CHECK #'S AND CHECKS